

BEFORE THE IDAHO BOARD OF TAX APPEALS

JOHN BLAIN,	)	
	)	
Appellant,	)	APPEAL NO. 15-A-1039
	)	
v.	)	FINAL DECISION
	)	AND ORDER
ADA COUNTY,	)	
	)	
Respondent.	)	
	)	
	)	
	)	

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**RESIDENTIAL PROPERTY APPEAL**

This appeal is taken from a decision of the Ada County Board of Equalization denying the protest of valuation for taxing purposes of property described by Parcel No. R2732850240. The appeal concerns the 2015 tax year.

This matter came on for hearing September 22, 2015 in Boise, Idaho before Board Member Leland Heinrich. Appellant John Blain was self-represented. Erin Brady represented Respondent.

Board Members David Kinghorn, Linda Pike and Leland Heinrich participated in this decision.

**The issue on appeal concerns the market value of an improved residential property.**

**The decision of the Ada County Board of Equalization is affirmed.**

**FINDINGS OF FACT**

The assessed land value is \$58,000, and the combined value of the improvements is \$128,500, totaling \$186,500. Appellant contends the correct land value is \$47,600, and the improvements' value is \$115,000, totaling \$162,600.

The subject property is a 2,180 square foot single-level residence constructed in 1988 and situated on a .2 acre lot in the Fairbanks subdivision, located in Boise, Idaho.

The subject residence includes four (4) bedrooms, two and one-quarter (2.25) bathrooms, and an attached two-car garage roughly 550 square feet in size. The property is further improved with a small multi-purpose outbuilding.

Appellant noted subject's value increased approximately 17% for the 2015 assessment compared to the 2014 valuation. In Appellant's view, subject's value increase, on a percentage basis, did not square well with data provided in an article from the local newspaper. The article reported average assessed values for Ada County increased about 7% for 2015. Respondent remarked the increase reported by the newspaper reflected an overall county average, not subject's specific subdivision, which saw increases for 2015 ranging from 15% to 18%.

Appellant also identified some errors contained in the Multiple Listing Service (MLS) data sheet for subject when it was on the market in 2007. Specifically, Appellant noted the outbuilding did not have heat and air-conditioning as reported by the MLS. In addition, the MLS sheet incorrectly reported subject enjoyed a view of the Bogus Basin ski mountain and had a "great room". Appellant also contested the square footage of the subject residence. Appellant contended subject was roughly 1,985 square feet, not 2,180 square feet as reflected in Respondent's records. Further, Appellant explained subject did not have a fireplace, as contained in Respondent's 2014 records. Respondent acknowledged this latter contended error was corrected for 2015, and no fireplace value was included in subject's current assessment.

Appellant further offered two (2) listings of properties located in subject's general

area. The first was a four (4) bedroom, three (3) bathroom residence, which included a mother-in-law suite, an attached two-car garage, and two (2) storage sheds. The asking price was \$249,900, however, the date of the listing was not indicated on the listing sheet. The other listing concerned a two-story residence constructed in 1930. The 3,246 square foot residence was attached to a .36 acre lot. The MLS sheet indicated the property was on the market beginning in July 2014 with an asking price of \$249,900. Appellant reported the property sold for \$239,000, but did not specify when the sale occurred.

Respondent explained the Ada County real estate market generally appreciated between 2014 and 2015. Though specific details were not provided, Respondent reported the roughly 70 sales in subject's geo-economic area, involving similar type residences to subject, sold for a median price of \$188,800. In Respondent's view, this information provided strong baseline support for subject's assessed value.

Focusing specifically on subject, Respondent provided information concerning six (6) sales, which were regarded as similar to subject in terms of design, quality, and overall characteristics. Four (4) of the sales were located within one (1) mile of subject, with the remaining two (2) being situated within 2.25 miles. Sale prices ranged from \$175,000 to \$219,000. Respondent adjusted the sales to account for physical differences compared to subject, and also applied an upward .3% per month time adjustment to account for the appreciating market. Gross adjustments were between 5.5% and 13.9%, with net adjustments ranging from 1.4% to 8.1%. Adjusted sale prices were between \$194,046 and \$213,812, or from \$88.99 to \$98.07 per square foot. Subject was assessed for \$186,500,

or \$85.55 per square foot, which Respondent noted was on the lower end of the indicated range of value.

### CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of fair market value, or as applicable exempt status. This Board, giving full opportunity for all arguments and having considered all testimony and documentary evidence submitted by the parties in support of their respective positions, hereby enters the following.

Idaho Code § 63-205 requires taxable property be assessed at market value annually on January 1; January 1, 2015 in this case. Market value is defined in Idaho Code § 63-201, as,

“Market value” means the amount of United States dollars or equivalent for which, in all probability, a property would exchange hands between a willing seller, under no compulsion to sell, and an informed, capable buyer, with a reasonable time allowed to consummate the sale, substantiated by a reasonable down or full cash payment.

The three (3) primary methods for determining market value are the cost approach, the sales comparison approach, and the income approach. *Merris v. Ada County*, 100 Idaho 59, 63, 593 P.2d 394, 398 (1979). Residential properties are commonly valued using the sales comparison approach. Such approach typically involves consideration of recent sales involving similar properties.

Appellant provided information related to two (2) listings, one (1) of which reportedly sold. While the Board appreciated the information, it was incomplete. Most notably, the

date of sale. Further, there were concerns regarding the comparability of the properties to subject. For instance, one (1) of the listings did not indicate the size of the sale residence, while the other involved a much larger two-story residence. Both sales also appeared to include amenities, such as mother-in-law units, which subject does not have. It was not apparent how Appellant reconciled these rather large differences in physical characteristics when arriving at the requested value for subject.

Respondent, on the other hand, submitted information concerning six (6) recent sales. The sale residences were similar to subject in terms of design, quality, location, and general amenities. There were differences compared to subject, however, Respondent accounted for these using appraisal adjustments to make the sale properties more comparable to subject. The adjustments were well-detailed and appeared reasonable. The analysis yielded adjusted sale prices between \$194,046 and \$213,812, or from \$88.99 to \$98.07 per square foot. Subject was assessed for \$186,500, or \$85.55 per square foot, which is lower than indicated by the sales analysis.

Appellant also challenged the size of subject's residence, which Respondent reported was 2,180 square feet. Appellant contended subject was 1,985 square feet. Respondent offered to re-measure subject, however, Appellant refused the offer. As such, the Board must rely on the information contained in Respondent's records, which are presumed correct.

Appellant's concern about subject's assessment including value for a fireplace is moot. Respondent removed the fireplace from subject's property characteristics record

when the matter surfaced in 2014. Subject's 2015 assessed value did not include value for a fireplace. Likewise, subject's small multi-purpose outbuilding was not assessed as having heat and air-conditioning. Indeed, very little value was attributed to the outbuilding, as evidenced by no adjustments being made in the sales comparison analysis for the outbuilding.

In appeals to this Board, the burden is with the Appellant to establish subject's valuation is erroneous by a preponderance of the evidence. Idaho Code § 63-511. Based on the record in this matter, such burden was not satisfied. Respondent's analysis was detailed and well-supported. The information provided by Appellant was insufficient to overcome Respondent's value conclusion. Accordingly, the decision of the Ada County Board of Equalization is affirmed.

#### FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Ada County Board of Equalization concerning the subject parcel be, and the same hereby is, AFFIRMED.

DATED this 16<sup>th</sup> day of December, 2015.